

Success Stories on Doing Business with Africa

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My Story

- Niche Market – high quality, handmade, fairly traded and unique products
- Studied populations locally and abroad
- Networked with key people in the various markets
 - U.S. Embassies in Washington DC
 - Government and NGO links
- Local resources – SBA, Chambers, National groups in my niche market

A Gift To Africa – THE ARTISANS

- Come from
 - ❖ Kenya
 - ❖ Zimbabwe
 - ❖ South Africa
 - ❖ Uganda
 - ❖ Cameroon
 - ❖ Tanzania
 - ❖ Swaziland
- Working with :
 - ❖ Ethiopia
 - ❖ Rwanda
 - ❖ Zambia



A Gift To Africa PRODUCTS



Successes

- Artisans are my partners and thus they have ownership in the product design and delivery.
- Recognition of the work locally and abroad
- Increase in contracts with large catalog houses, establishments, museum gift stores, custom work etc..
- Women have learnt entrepreneurship – banking, shipping, pricing, marketing, etc..



Why Do Business in Africa?

- More than 52 Countries and 900 Million Consumers all want to eat, dress, travel
- Africans know about US than we realize
- Cellular and internet has improved communications continent-wide and world-wide
- Governments are now giving a lot of incentives
- Chinese infiltration

Factors Contributing to Successes in trading with Africa

- Agreements such as AGOA the African Growth and Opportunity Act. which was passed under the Clinton Administration and designed to create positive incentives for Africans to export more to the US. (www.agoa.gov)
- In 2008, U.S. imports under AGOA were \$66.3 billion, 29.8 percent more than in 2007.

Factors Contributing to Successes in Trading with Africa

- Need For Partnerships
- Incentives offered by regional organizations SADC, EADC, etc..
- Assistance through World Bank, IMF, USAID etc..
- Realization that Aid alone has not advanced Africa
- African entrepreneurs are more savvy and becoming less traditional in the kinds of businesses being initiated.

Advances in Africa

- Fewer conflicts, more democratic elections, and economic growth rates that gradually have begun to compete with those of other developing regions, Africa is proving itself again a continent of positive change.
- Ghana and Kenya --rank among the top 10 reformers worldwide who have made the most significant advances in the aggregate ease of doing business.

(World Bank Report – Doing Business 2008)

Advances made in Different African Countries

- 24 African countries implemented 49 reforms which have made it simpler to start a business. They have strengthened property rights, enhanced investor protections, increased access to credit, eased tax burdens, and expedited trade while reducing costs.
- In Madagascar, business start-up has been reduced to seven days by eliminating five procedures and streamlining operations. This, in turn, has attracted investments and promoted small private business
- There are numerous success stories emerging from African entrepreneurs, who have proved that with a little financial push and an enabling business environment much can be achieved in promoting private investment and closing the poverty gap in Africa

Taking Advantage of the Norm

- **Much of what appeals to the rest of the world about Africa is its art: music, textiles, dance, and sculpture.**
- Ruwenzori Sculpture Foundation in Uganda – Foundry for casting bronze sculptures. Started by a U.K. company to train a cadre of world-class African sculptors while providing local employment opportunities "for hundreds."

Telecomm Successes

- "[East Africa Gets Broadband: It May Make Life Easier and Cheaper](#)," Economist, June 18th, 2009.
- "[How to Cross the Digital Divide, Rwanda-Style](#)," TechCrunch, June 24, 2009, Sarah Lacy.
- "[The Cable Guy: How to Network a Continent](#)," Wired Magazine, June 29, 2009, James Watson. *If you like reading thrillers about pirates, sharks, robots, digital villages, and amazing feats of engineering, I recommend this article.*
- "[Kigali City to Go Wireless By September](#)," The New Times, July 22, 2009, Saul Butera.
- "[Sea Cable Ushers in New Internet Era](#)," AllAfrica.com, July 23, 2009, Lee Mwiti.
- And a terrific roundup at the blog White African - "[Reactions to SEACOM Going Live](#)," July 23, 2009.

Success Story - Kenya

- **A family business in Kenya (The Kimemia Engineering Company) was able to obtain funding through the International Finance Corporation's Small and Medium Enterprises Solution Center (IFC SSC), which, through its SME Risk Capital Fund, offers unique flexible financial products to companies with promise. The couple was able to obtain the required working capital for a US\$6.6 million road construction contract which they had won and were also given technical assistance to improve their financial systems.**
- (insert dsc kenya)

Success Story - Madagascar

- **Classic Clean, A Malagasy company owned by Randriamialijaona, got its break through its Government's US\$129.8 million Integrated Growth Poles project (IGP), financed by The World Bank Group. The project aims to provide the adequate business environment to stimulate and lead economic growth, and to allow Malagasy firms to play a greater role in the economy.**
- **The project supports 50 percent of the guarantee needed for a loan from the banks. As one of the beneficiaries in Nosy Be, Randriamialijaona took out two loans through the program.**
- **Classic Clean now employs 13 people, and takes care of 1,000 pieces of laundry each day, with clients including hotels and restaurants in the Nosy Be area.**

Success Story - Uganda

- **In Uganda, The Rugambwas turned to the Business Uganda Development Scheme (BUDS) a component of the Private Sector Competitiveness Project, financed by the World Bank. The project aims to improve enterprise creation and growth of Micro, Small and Medium Enterprises (MSMEs) by raising productivity and improving the quality, standards and reliability of such producers.**
- **This family turned their business, SAMEG Chemical Products' total returns had multiplied one thousand fold from \$400 to \$0.25 million in 2006..**

Successes – Nigeria and Malawi

- In Nigeria, Africa's most populous country, reforms have seen the computerization of the national company registry, the speeding up company name searches and an increase in efficiency.
- Malawi is yet another country on the move. Its ease of doing business reforms have seen the launch of the commercial division of its high court and the appointment of specialized commercial judges

Business Opportunities in Africa

- The Millennium Challenge Corporation (MCC) is a United States Government corporation designed to work with some of the poorest countries in the world. Established in January 2004, MCC is based on the principle that aid is most effective when it reinforces good governance, economic freedom and investments in people. MCC's mission is to reduce global poverty through the promotion of sustainable economic growth.

- See paper on '**Doing Business with MCC in Africa: Significant Procurement Opportunities in 2009**'

MCC programs in Africa including Burkina Faso, Ghana, Lesotho, Mali, Mozambique, Namibia and Tanzania.

- *Opportunity sectors include: road construction, energy, water, irrigation, transportation and other construction.*

<http://www.mcc.gov/mcc/bm.doc/transcript-033109-doingbizinafrica.pdf>



The Presitex garment company in Maseru, Lesotho was able to take advantage of AGOA through sourcing raw materials in S. Africa assisted by Southern Africa USAID Global Competitiveness Hub

Useful Resources

- **Doing business in Africa: a practical guide for investors, entrepreneurs and Expatriate Managers** By Steve Shelley
- **Dynamics of Marketing in African Nations** Edited by Sonny Nwankwo and Joseph F. Aiyeku
- **Dead Aid: Why Aid is not working and how there is a better way for Africa** by Dambisa Moyo
- **Africa Rising: How 900 million African Consumers offer more than you think – Vijay Mahajan**
- <http://www.africa-business.com/bg.html>
- www.africaopenforbusiness.com one hour documentary on a whole new way of looking at Africa

Recommendations

- Flexibility – examples of McDonalds and Starbucks in Africa
- Innovative – lots of opportunities in Africa
- Sensitive – do not impose your own values on locals
- Form networks – get to know whom you are dealing with or where to go when you need help
- Training and Education of employees or partners is always a Key

❖ Thank you.....

❖ Asante Sana..

❖ Mazvita..